



State of Delaware
Office of Auditor of Accounts
At a Glance

Case ID- 2007-011

March 26, 2007

Working Hard to Protect YOUR Tax Dollars

Why We Did This Review

Christina School District hired a new Superintendent in January 2006. As part of her contract, she requested a financial review of the District. A team of State and school finance experts, convened by the Director of the Office of Management and Budget, and the Secretary of Education, conducted the review. The results of this review pointed to a substantial financial deficit. Due to the results of the review, additional audits were performed in the areas of tuition tax, personnel, and cafeteria funds. During these audits, questions arose about the propriety of SuperCard purchases made by the District's former Superintendent. The former Superintendent was employed by the District from July 8, 2003 through December 1, 2005.

Background

The State of Delaware contracted with PNC Bank to provide State agencies and school districts with a VISA card program for procurement (small purchases) and/or travel purchases. The program is called the SuperCard Program: one card with purchasing and/or travel options, on the same card. The objective of the investigation was to determine the propriety of SuperCard purchases made by the District's former Superintendent.

For further information on this release, please contact:

Nicholas Adams
(302) 739-5055 Direct
(302) 222-5032 Mobile

To view the full report, click on the following link:

<http://auditor.delaware.gov/Audits/FY2007/Special%20Investigations/KVW073455%20CSD%20Supercard%20Special%20Investigation.pdf>

Christina School District - Special Investigation Superintendent's SuperCard Purchases

What We Found

Per review of the former Superintendent's SuperCard purchases from July 2003 through November 2005, the following conclusions were reached:

- During the period of July 2003 through November 2005, 565 transactions totaling \$75,722.97 posted to the former Superintendent's SuperCard.
- The District and the former Superintendent did not comply with District policies or the State of Delaware *Budget and Accounting Manual* Section XIV.
- The SuperCard was used for personal purposes totaling \$4,285.77. Of this amount, \$4,023.36 was either refunded or repaid. Of the amount repaid, one check for \$209.20 was never deposited by the District. The check was found attached to the monthly SuperCard statement.
- Alcoholic beverages and movies totaling \$8.25 and \$29.99, respectively, were purchased with the SuperCard.
- Individuals other than the former Superintendent used the card and card number. The use was primarily for conferences, hotels, airfares, and purchasing supplies.
- Adequate supporting documentation was not maintained for 77 transactions totaling \$8,151.52
- An approving official did not verify that the former Superintendent complied with the procedures defined by the District.
- Meal reimbursement thresholds were exceeded for 79 transactions.
- The former Superintendent did not maintain detailed itemized receipts for the majority of meal purchases. For the majority of meal transactions, it could not be determined if alcohol was purchased.
- Numerous airfare transactions were for flight change fees and excess baggage fees.
- The District and the former Superintendent were in positions of trust. Taxpayers entrusted the former Superintendent and the District to follow prudent business practices and to spend money wisely and in a conservative manner. For numerous transactions, the District and the former Superintendent did not act in the best interest of the taxpayers.
- Board members and the former Superintendent overrode District controls. This included lack of supporting documentation, personal purchases, and meal purchases that exceeded established thresholds.

What We Recommend

Board members of the Christina School District as well as current management (including the current Superintendent, Chief Financial Officer, and Assistant Superintendents) should:

- Reassess the control environment and the tone set by management;
- Act in a manner that does not give the appearance of deception or inappropriate or questionable business practices;
- Require compliance with policies and procedures, laws, and regulations;
- Monitor compliance with policies and procedures;
- Consistently enforce disciplinary practices for violations of policies and procedures, laws, and regulations; and
- Develop policies and procedures related to purchases of In-State meals.

Please read the report in its entirety for a complete list of findings and exceptions, broken out by Fiscal Year.